



**District Consolidation:
Opportunities and Challenges
... learning from local stakeholders**

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“Cost-effectiveness” looks different..



**...when viewed from
the local perspective...**





Learning from local stakeholders...

- **Since the 1970's, NESDEC has conducted 5-10 studies per year involving the potential to close school buildings or reorganizing after schools had been closed**
- **From 1985-1995, NESDEC ran the Rural and Small Schools Network for the Northeast Regional Lab of the U.S. Department of Education**
- **NESDEC has worked with two dozen communities seeking to consolidate or de-consolidate...and some multiple studies**

Lessons Learned

- A. Districts considering consolidation fare best when they discuss in some detail the core values of the community with respect to education and future educational programs
- B. “Core values of the community” spill beyond the sphere of education: the municipal officials (or voters) of Town A may have a grievance with Town B
- C. An often overlooked aspect of a community’s “style” is its view of general policy oversight v. detailed local control of buildings, educational programs and services

Lessons Learned continued

- D. Establishing a common school calendar, daily schedule, and plan for professional development can be a no-cost step in testing the compatibility of the districts considering consolidation
- E. Keeping school staff informed regarding the status of discussions regarding change can be important in helping their morale to remain high, and in retaining their focus upon their educational role in the district (parents as well)
- F. Having a larger student body available in a consolidated district may: a) be cost-effective and b) permit programs requiring a critical mass

Lessons Learned continued

- G. When changes are proposed, residents often “look in the rear view mirror” to the past; it is difficult to communicate to voters that the cost of maintaining the status quo may outpace increases in the state-local revenue stream
- H. Recent budget reductions have created some “lean-mean” central offices in which administrators spend 40-50% of their time preparing reports and preparing for meetings (how “lean-mean” will maintain/improve the quality of education?)
- I. There are startup costs in converting to a new consolidated district (example: two districts with combined budgets of \$48.5M estimated annual central office savings of \$.5M...with a startup cost of \$.5M+ in order to achieve the savings)

Lessons Learned continued

- J. A group of three districts considering consolidation will be eligible for about \$1M in reimbursement for Regional Transportation...could an up front grant be an incentive?
- K. Personnel costs are in the range of 80% of a district's budget. Three districts which were considering regionalization estimated an annual Central Office savings of \$1M+ (after startup), however, were anticipating an annual cost of \$1M+ to upgrade teacher compensation to the level of the most generous district.

Lessons Learned continued

- L. A partially-consolidated district is considering full PK-12 regionalization; the proposal is expected to draw opposition from the Town Hall (which could lose 2-3 FTE positions)...sometimes saving money in school budgets meets with municipal “push back”
- M. When there are incentives for districts to change, local discussion often focuses upon the data and assessing the opportunities; when reform is imposed by the State, aspects of the mandate may become the focus of discussion...thereby increasing local “push back”

... Local Push Back

“The one thing that most creates the life, direction and spirit of a community is its school system, and local control of the administration of the schools is at the heart of it all. Giving away the control of Falmouth schools to the misguided consolidation plans of state and local educational ‘professionals’ and politicians would be a tragedy for our community. It would start the process of destroying the fabric of our community.

I am fully in support of combining municipal services with other communities, which would lead to real, quantifiable savings. But I do not want to sell out the essence of our town’s community, local control of the schools, to the unsubstantiated and misleading claims of improved efficiency.”

...resident of Falmouth, ME September 4, 2008

The Many Varieties of Districts...

**Franklin County = 9,773 students in 26 municipalities
(9 District Offices; 7 High Schools including 1 Voc Tec HS)**

- A. *Greenfield PK-12 = 1,078 students**
- B. Mohawk Trail Reg. PK-12 = 1,153; Hawlemont PK-6 = 118; Rowe PK-6 = 61**
- C. Gill-Montague PK-12 = 1,127**
- D. Franklin Co. Voc Tech 9-12 = 525**
- E. Pioneer Valley Reg. PK-12 = 1,107**
- F. Ralph C. Mahar Reg. 7-12 = 759**
- G. Orange Elem. PK-6 = 823 (7-12 to F)**
- H. SU 28 Erving PK-6 = 189 (to C); New Salem-Wendell PK-6 = 147 (to F); Shutesbury PK-6 = 167 (to J); Leverett PK-6 = 161 (to J)**
- I. SU 38 Frontier Reg. 7-12 = 716; Deerfield PK-6 = 487; Conway PK-6 = 177; Sunderland PK-6 = 220; Whatley PK-6 = 128**

•Each letter A-I indicates a District Central Office in Franklin County;

J=Amherst-Pelham in Hampshire County

Which Cost Centers Display Largest Increases?*

	Total FY04	Total FY08	Difference FY04-08	Percent chg FY04-08	Avg per Year
Administration (1000)	465,050	587,782	122,732	26.4%	6.6%
Instruction (2000)	9,112,009	11,194,776	2,082,767	22.9%	5.7%
Attendance-Health (3100, 3200)	92,344	145,847	53,503	57.9%	14.5%
Athletics/Student Activities/ Security (3500, 3600)	352,013	377,111	25,098	7.1%	1.8%
Maintenance (4000)	1,357,647	1,967,034	609,387	44.9%	11.2%
Employee Benefits (5100)	161,196	532,728	371,532	230.5%	57.6%
Insurance (5200)	1,643,006	2,550,703	907,697	55.2%	13.8%
Retired Employee Insurance (5250)	241,312	726,542	485,230	201.1%	50.3%
Tuition (9000)	17,186	24,236	7,050	41.0%	10.3%
Total School Spending	13,441,763	18,106,759	4,664,996	34.7%	8.7%

*Other large increases: Special Education is a sub-set of Instruction; and all items related to energy, including Transportation.

Data for FY08 as reported in Schedule 19 of FY07 End-of-Year Report.



**“New England Town Meetings
[are like] little Village Republics”**

**...Alexis de Tocqueville, 1851
who applauded direct democracy in New England**

“Systemic Cost Savings Opportunities”

- **Maintaining quality, while reducing cost is of the highest priority.**
- **Annual personnel costs for district budgets are in the 80% range in many districts.**
- **Special education costs often represent at least 20% of annual budgets and are growing at a rate disproportionate to the rest of the budget.**
- **Municipal and district health care costs have become one of the most significant factors in determining the local dollars available for schools.**

“Systemic Cost Savings Opportunities”

(continued)

- **Where possible, existing effective structures and resources should be used, rather than creating new and potentially duplicative structures.**
- **Collaboration and sharing of resources between entities shows greatest savings potential.**
- **Consolidations and merger of resources is best accomplished with incentives as opposed to imposition by mandates.**
- **Many well-intended laws, initiatives and requirements result in unfunded mandates. Such mandates, if maintained, must be coupled with sustainable funding sources.**

“Opportunities”

- 1. Employee-Related Health Insurance Cost**
- 2. Escalating Special Education Costs**
- 3. Promote alternative administrative and/or governance structures...educational collaboratives; intermediary regional entities (CT Regional Service Centers, PA Inter Local Compacts); Supervisory Unions; Regional School Districts; Consolidation of School Districts**
- 4. Reduce redundancy of services required**
- 5. School building needs and consolidation**
- 6. Decommission schools**

“Opportunities” (continued)

- 7. Recruit and retain the “best and brightest”**
- 8. Unfunded Mandates**
- 9. Reduce multiple reporting requirements**
- 10. Actions to support energy efficiency**
- 11. Disseminate best instructional practices**
- 12. Review textbook adoption and expand access to online sources**
- 13. Create consumer reports on privatization/contracting of services
Other...statewide collective bargaining units...statewide salary
schedule with regional differences...larger pooling of insurance
risk/liability**

...Readiness Project, Sub-Committee on Long-Term Funding, p. 38-53

What can we learn from listening to local stakeholders?

Districts considering consolidation can:

- **Maximize opportunities**
- **Minimize/avoid pitfalls**
- **Establish clarity in advance**

Policymakers can:

- **Create incentives**
- **Remove/minimize obstacles**
- **Learn of local (unintended) consequences of State policies**